

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 19574
[REDACTED],	)	
	)	DECISION
Petitioner.	)	
_____	)	

On June 16, 2006, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing income tax, penalty, and interest for tax years 1998 through 2003 in the total amount of \$99,655.

The taxpayer protested the determination. He did not request a hearing but did provide additional information. The Tax Commission, having reviewed the file, hereby issues its decision based thereon.

Idaho Code § 63-3030 states:

**63-3030. Persons required to make returns of income.**

(a) Returns with respect to taxes measured by income in this chapter shall be made by the following:

(1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code).

(2) Any nonresident individual having for the current taxable year a gross income from Idaho sources in excess of two thousand five hundred dollars (\$2,500), or any part-year resident individual having for the current taxable year a gross income from all sources while domiciled in or residing in Idaho, and from Idaho sources while not domiciled in and not residing in Idaho, which in total are in excess of two thousand five hundred dollars (\$2,500);

Information available to the Tax Commission indicated the taxpayer was owner/operator of an Idaho company [Redacted] during the years at issue. Because the Tax Commission's files did not include the taxpayer's Idaho individual income tax returns, the Bureau prepared Idaho returns on the

taxpayer's behalf and issued a Notice of Deficiency Determination. The taxpayer's preparer, to whom he had given his Power of Attorney, appealed the determination.

In the letter of appeal, the preparer stated the taxpayer "abandoned the business" sometime around November of 2001. Because of illness, the taxpayer did not earn enough income to be required to file an income tax return for the years 2002 and 2003. Based on that information and Tax Commission records, the Bureau cancelled the determination of tax, penalty, and interest for both 2002 and 2003.

After allowing the taxpayer's preparer time to prepare the missing returns, the taxpayer's file was transferred to the Legal/Tax Policy Division for administrative review. Neither the taxpayer nor his preparer responded to a letter from the Tax Policy Specialist wherein he was advised of his rights regarding his appeal. To date, the taxpayer's 1998 through 2001 Idaho individual income tax returns have not been filed with the Tax Commission.

The Bureau calculated the taxpayer's Idaho income tax responsibility using the information contained in the records of the [Redacted] Tax Commission's sales and withholding records. [Redacted].

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm'n, 110 Idaho 572 (Ct. App. 1986). The burden is on the taxpayer to show that the tax deficiency is erroneous. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayer has failed to file his 1998 through 2001 Idaho individual income tax returns. Absent information to the contrary, the Tax Commission accepts the Bureau's calculation of Idaho income tax due for those years. No withholding was identified.

WHEREFORE, the Notice of Deficiency Determination dated June 16, 2006, is hereby  
MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pays the following tax, penalty,  
and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1998	\$18,306	\$4,577	\$9,808	\$32,691
1999	10,334	2,584	4,784	17,702
2000	10,007	2,502	3,832	16,341
2001	5,999	1,500	1,834	9,333
			TOTAL DUE	<u>\$76,067</u>

Interest is calculated through May 15, 2007.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2007.

IDAHO STATE TAX COMMISSION

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COMMISSIONER

## CERTIFICATE OF SERVICE

I hereby certify that on this \_\_\_\_ day of \_\_\_\_\_, 2007, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Receipt No.

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